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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
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INTELLIGENCE MEMORANDUM

Implications of India's Parliamentary Elections

Introduction

The Ruling Congress Party's recent electoral victory exceeded even its own most optimistic expectations. Although the party secured only 44 percent of the popular vote, the vagaries of the electoral system translated this into a two-thirds majority in Parliament. The crucial shift of votes is viewed as Prime Minister Gandhi's personal triumph, and she now has virtually complete control over both the party and the government.

During the campaign, Mrs. Gandhi promised to provide a strong, stable government and to accelerate the pace of social and economic development. Although her nation is one of the poorest on earth, Mrs. Gandhi's much-enhanced power gives her a new opportunity to try to get India's sluggish economy moving. Demands on the central government will be exceedingly heavy in the next several years, however, partly because Mrs. Gandhi has heightened popular expectations. Her social and economic programs have not been fully spelled out, but they probably will continue to follow a pattern of moderate socialism.

The states present additional problems, and Mrs. Gandhi will work to replace their shaky ruling coalitions with stronger governments led by her

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party. She may favor some new initiatives in foreign policy, which are not likely to veer strongly from India's traditional adherence to nonalignment. The election results prove she is a shrewd politician, but the performance of her government since 1966 raises doubts about her administrative ability. The outlook is for an accelerated pace in economic development efforts, but if results are not forthcoming, the disillusioned electorate could once again turn against the ruling party.



"Through the elections the country has given a clear verdict in favor of the policies and programs of my party. The priorities of my party are clearly laid down in its manifesto. It is committed to taking steps to reduce economic disparities. It will also give highest importance to dealing with the problem of unemployment. The elections have proved how strong the democratic roots in the country are and how discerning our people are. I feel exceedingly humble in the face of the faith and trust reposed by the people in my party."

Indira Gandhi

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Background

1. Almost everyone, including Prime Minister Gandhi, was surprised at the outcome of India's fifth parliamentary election. As the dust settles in the aftermath of the ten-day election marathon that gave her Ruling Congress Party a landslide victory, the implications are impressive. With more than a two-thirds majority in the lower house, Mrs. Gandhi holds an almost unassailable position in both party and government. Her government has its first real opportunity to move ahead in dealing with the country's massive problems and, at least for the short term, there is cause for some optimism about India's future.

2. The Indian electorate--overwhelmingly rural and illiterate but increasingly shrewd in perceiving its own self-interest--has given Mrs. Gandhi an unexpectedly strong five-year mandate in the specific hope of improving the lot of impoverished masses. She turned to the lower classes because she said she needed a parliamentary majority to support her programs of socio-economic reform. Many middle- and upper-class voters, however, also supported her, presumably in the interest of ensuring a stable government. There was a calculated risk in calling these elections a year before the constitution required, and Mrs. Gandhi entered the campaign with a fierce determination to make her gamble pay off.

3. Although Mrs. Gandhi was careful to avoid commitments in her campaign, she was highly successful in projecting the image of a determined reformer, dedicated to bucking vested interests and turning back the tide of rising prices and unemployment. While stumping the 18 states of the Indian Union, she was seen by an estimated 20 million of India's 560 million people. Such personal exposure is important in a campaign conducted with very little radio coverage and in a country where the press reaches less than five percent of the rural electorate. Posters, word-of-mouth reporting, and local politicians played a key role in persuading 44

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Ruling Congress Party Symbol Paraded through New Delhi Streets

percent of the 146 million voters to cast their ballots for Ruling Congress candidates. The party's percentage of the popular vote was only three percent above the total for the then still unified Congress Party in the 1967 election, but even a slight shift of the vote in the 515 multicandidate constituencies can dramatically affect the results.

4. Mrs. Gandhi faced the electorate with certain unique advantages. She had long been in the public eye as the late prime minister Nehru's daughter, and her tenure as prime minister since 1966 has firmly established her position on the national scene. Additionally, her party entered the campaign with ample coffers and a relatively effective organizational apparatus in most states; as the incumbent

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prime minister, moreover, Mrs. Gandhi had access to air-force transport at nominal cost.

5. In contrast, the opposition lacked credible programs and leaders to pose a serious alternative. A four-party alliance led by the Organization Congress--the rump of the unified Congress Party that had split in late 1969--attempted to support single opposition candidates in numerous constituencies, but divergent regional interests, personal rivalries, and a vast ideological gap stretching from extremes on the right and left resulted in its electoral disaster.

<u>PARTY POSITIONS IN THE LOK SABHA</u>			
		<u>Pre-election</u>	<u>Now</u>
Frequent supporters of Prime Minister Gandhi	Ruling Congress Party	229	350
	Dravida Munnetra Kazhagam (DMK) . . .	24	23
	Communist Party of India (CPI)	24	24
Opposition's Core of Support	Organization Congress Party	65	16
	Swatantra Party	35	8
	Jana Sangh Party	33	22
Others	Communist Party of India/Marxist (CPM) .	19	25
	Samyukta Socialist Party (SSP)	17	3
	Praja Socialist Party (PSP)	15	2
	United Independent Group	25	41
	Unattached independents and others . . .	24	
	Indian Revolutionary Party (BKD)	10	1
	Vacancies	3	3*
	(Appointees)		3
<u>Total Seats</u>		<u>523</u>	<u>521</u>
*Elections postponed until April or May 1971			

6. The country-wide uniformity of Mrs. Gandhi's victory adds significance to her feat. The Ruling Congress Party won about 80 percent of the 438 seats it contested, leaving no section of the country without an increase in party representation in parliament. Even in southern India, where sentiment against the national government traditionally is strong, the returns heavily endorsed Mrs. Gandhi. In northern India, both the Muslims, who had voted against the

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united Congress Party in the 1967 elections, and the untouchables and lower castes, who comprise a large segment of the population, also pinned their hopes on Mrs. Gandhi's pledge to provide them a better deal in life. She can be particularly proud of her party's showing in her heavily populated home state, Uttar Pradesh, where the Ruling Congress faced a determined and relatively united opposition and yet took 73 of the state's 85 seats.

7. Mrs. Gandhi was correct in assuming that her electoral prospects would be improved if national elections were separated from elections for state legislatures, which had previously been held simultaneously. Except in three states (Tamil Nadu, Orissa, and West Bengal) where both local and national contests still took place, the major electoral issue was Mrs. Gandhi, and therefore the results can be read as her personal triumph.

Implications for Domestic Policy

"The Government may be stable; the country is restless"--Hindustan Times.

8. Having handed Mrs. Gandhi a great victory, the public will now expect an effective performance. Her past record lacks concrete achievements, however, and now--by rousing high expectations--she has raised the measure of her accountability. If public frustrations are not alleviated by evident signs of progress over the next several years, a reaction against Mrs. Gandhi could set in. She is aware of the hard realities of this situation, and probably will not lose time before tackling some of the monumental problems India faces. At a minimum, there should be an end to the drift and indecisiveness that characterized Mrs. Gandhi's previous administration.

Economic Implications

9. The economy is the area of utmost concern to the Indian populace. A string of four good monsoons has given the country record food crops, but

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accompanying inflation has generated widespread discontent. Unemployment, though endemic, has risen in tandem with production slowdowns. Mrs. Gandhi's election manifesto studiously avoided specific economic proposals, but recent public statements give some indication of government priorities.

10. The need to reduce unemployment is a prime objective. The party has already pledged itself to provide half a million new jobs for the rural unemployed, but there is no indication of how it might develop a cohesive national program. The unemployment problem is complicated by the likelihood that a massive public works employment program without commensurate increases in production of food and consumer goods would only add to the inflationary pressures already in force.

11. Quicker results may come in the field of investment. The government claims that it intends to simplify investment procedures, and the current Five Year Plan (1969-74), which is not achieving its goals, will be re-examined in the hope of increasing the pace and effective use of investment. The four permanent members of the Planning Commission have resigned and are expected to be replaced by individuals more in tune with anticipated policy revisions.

12. India's birth control program is also slated for new emphasis. So far, family planning efforts--although extensive--have not had much impact, and it is believed that a stronger endorsement by Mrs. Gandhi might give more effective results in stemming the annual growth rate of almost three percent, roughly 14 million additional people per year.

13. Land reform is another area where change is long overdue. Basic agrarian reform would include the compilation of accurate records, tenure security, fair rents, reasonable wages for agricultural labor, and credit availability. Efforts in this direction intrude on the prerogatives of state governments, however, and Mrs. Gandhi's earlier reform guidelines were not welcomed by the land-owning classes that have constituted the party's traditional core of support.

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14. Constitutional amendments would be necessary before the central government could levy taxes on agricultural income or land. Mrs. Gandhi has raised the possibility of amending the constitution to secure such power, but it is doubtful that issues infringing so heavily on vested interests could obtain the two-thirds majority required in both houses of parliament and ratification in at least half the state legislatures.

15. Past government policies have contributed to the depressed state of production in many of India's public-sector industries. Some of the malaise is attributed to a lack of technically competent advisers at senior levels of government. Private sector industries, although generally more efficient, are frequently hamstrung by government regulations and by corrupt or unsympathetic bureaucrats. With her vastly strengthened position, it is possible that Mrs. Gandhi will rely more heavily on technical expertise and pay less heed to the political pressures that in the past have influenced or caused the postponement of numerous policy decisions.

16. The budget session of Parliament in May will provide a clearer picture of how the government intends to proceed on economic issues. Early legislative action may include another effort to abolish the payments and privileges that some 300 former princes have received since independence in 1947. Anti-monopoly measures, the nationalization of general insurance, the introduction of a national preventive detention act, a ceiling on urban property holdings, and a cheap public housing program may also be enacted. With her two-thirds majority in the lower house, Mrs. Gandhi faces no challenge on the passage of ordinary legislation. More controversial issues, however, could meet resistance in the upper house, where she controls only about one third of the seats.

Political Implications

17. The Ruling Congress' victory hurt most other political parties and was fatal to some.

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Parliamentary opposition from the right has been drastically reduced, and on the left the two main socialist parties were routed. Only the two Communist parties and a regional party avoided reverses, but none of these secured the 10 percent representation required for formal recognition as an opposition party.

18. The set-back is a bitter pill for the opposition, which had made gains in the 1967 elections and, following the Congress Party split in 1969, had capitalized on Mrs. Gandhi's need for votes to supplement her minority position in Parliament. In some respects, the decimation of the opposition in terms of both leaders and numbers restores a situation somewhat similar to that in the 1950s when the united Congress Party was pre-eminent and the prime minister's authority was supreme. Nevertheless, the public adulation that surrounded Nehru during those earlier years, in part because of his role in the independence movement, appears unlikely to accrue to his daughter in the absence of progress toward social and economic reform.

19. The largest opposition party prior to elections, the Organization Congress (OC), saw its position in Parliament shrink from 65 to 16. Only one of the returnees, veteran Madras politician K. Kamaraj, is from southern India; most come from the state of Gujarat, where their party is firmly rooted in the countryside and where conservative voters remain suspicious of Mrs. Gandhi's assumed penchant for "economic radicalism." Moreover, Gujarat is the home state of Morarji Desai, Mrs. Gandhi's former deputy prime minister and conservative finance minister, whose opposition was instrumental in triggering the Congress Party split. Over time, it is likely that members of the OC will defect to other parties, either as units or individuals, rather than attempt to continue functioning under a losing label.

20. The party that entered the race with the brightest prospect of increasing its strength, the Hindu Nationalist Jana Sangh, lost one third of its seats. It did poorly among the Hindi-speaking

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northern urban populace that had once been most receptive to its program. Most Jana Sangh seats now represent insular pockets of conservatism, where princes still maintain some political influence. There is a possibility that the Jana Sangh may turn to more militant opposition tactics as a consequence of its reversal at the ballot box.

21. The conservative, free enterprise Swatantra lost ground as expected, giving up all but eight of its 35 seats. In recent years, it has been seriously weakened by defections to other parties; prior to the elections, a number of prosperous businessmen and princes supported the Jana Sangh or ran as independents. Swatantra's humiliation was further increased by the defeat of its co-founder and president, M. R. Masani.

22. India's two socialist parties, upstaged by Mrs. Gandhi's espousal of a socialist program, were almost obliterated. The Samyukta Socialist Party and the more moderate Praja Socialist Party now have a combined strength of only five seats, down from 32. This may force them to re-merge in order to survive at all.

23. Regional parties, with the exception of the Dravida Munnetra Kazhagam (DMK) of Tamil Nadu, fared poorly. Originally, the DMK's prime concern had been the promotion of the Tamil language and culture in southern India, but when the DMK became the ruling party of Tamil Nadu in 1967, it dropped earlier demands for an independent Tamil-speaking state. It became one of the allies of Mrs. Gandhi's minority government in New Delhi after the Congress split and won favors in return. Although it lost only one of its 24 seats in the 1971 election, the party will not have its former leverage in Parliament now that Mrs. Gandhi no longer needs DMK votes to ensure a majority.

24. A new regional group, the Telengana Praja Samiti (TPS), was formed by separatists from the Telengana region of Andhra Pradesh State. The group rebelled against the state's unity of the Ruling

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Congress, which opposes any division of the state. Ten rebels successfully challenged Ruling Congress candidates in the elections, but they have since declared their support for Mrs. Gandhi and aspire to become the Congress unit in a new Telengana State. In contrast to their success is the rout of the Bharatiya Kranti Dal. This four-year-old reformist party, which was organized by dissident Congressmen, had experienced a meteoric rise, particularly in Uttar Pradesh. It suffered a mortal blow by losing nine of its ten seats, including that of party president, Charan Singh.

The Communist Parties

25. The two Communist parties--the Communist Party of India (CPI) and the more radical Communist Party/Marxist (CPM)--managed to avoid losing seats. The pro-Soviet CPI, however, had approached the elections with hopes of substantially increasing its parliamentary position, partly as a pay-off for its ardent support of Mrs. Gandhi during 1970. The CPI pressed the Ruling Congress publicly to endorse direct collaboration in the elections, but Mrs. Gandhi refused to be tied to such a commitment, preferring to work out ad hoc deals in specific states. As a result, the Ruling Congress accorded the CPI only 21 constituencies, most of which it already held. The 24 seats that the CPI won represent scattered constituencies in eight states, and its prospects for influence in New Delhi have largely evaporated. The party's relationship with the USSR has also undergone some strain. The Soviets have long criticized it for ineffective leadership and for failing to accomplish more. In turn, the CPI represents Moscow's expressed support of Mrs. Gandhi and believes that the USSR could have done more for the CPI during the elections.

26. Ironically, the internationally independent CPM, which has denounced collaboration with the Ruling Congress Party and openly seeks to "wreck the Constitution from within" the parliamentary system, enjoys the distinction of being the only other party to return with a substantial gain in

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seats--from 19 to 25. Twenty of these seats come from West Bengal, however, where the Marxists are the strongest political force. The CPM can be expected to speak out loudly for radical agrarian reform and will continue to compete with the Naxalite extremists for the allegiance of those seeking power by means of an armed revolutionary struggle.

The States

27. Although a period of stability in the central government seems relatively assured, the political future of governments in the 18 states cannot be so easily projected. The existing patchwork of administrations developed as the unified Congress Party grew increasingly weaker in the late 1960s and became unable to retain majorities in a number of state assemblies. Many of the resultant coalition governments were short-lived, falling when individuals and parties withdrew support, often on trivial issues.

28. Eight states are scheduled to elect new legislatures in 1972, but several of these elections may be called before then. If the influence of Mrs. Gandhi's bandwagon can be extended to state races, the Ruling Congress stands to resume control in some of these states. In any event, the Ruling Congress' strengthened position should impede the recent trend toward an assertion of states' rights that developed under a weakened center, and it may arrest what appeared to be an accelerating political fragmentation at the local level.

29. West Bengal remains India's most troublesome state. Its future holds the prospect of periods of short-term coalition governments alternating with direct rule from New Delhi and possibly new elections--all accompanied by violence. In recent assembly elections, neither the CPM nor the Ruling Congress won a majority. Even if either secures sufficient allies to form a government, it will still be confronted by an almost equally weighted rival whose prime objective will be to bring down the ruling

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coalition. A similar standoff is found in Orissa, where state elections failed to give any party the majority needed to form a new government.

30. Election results in Kashmir have aroused New Delhi's concern. The center attempted to assist Ruling Congress candidates by outlawing the secessionist Plebiscite Front, arresting several hundred Front followers, and prohibiting prominent Kashmiri leader Sheikh Abdullah from entering Kashmir for three months. Despite these measures, a Front member ran as an independent and defeated the Congress candidate. Kashmir's assembly elections, slated for 1972, could prove embarrassing for New Delhi if the secessionist forces continue to organize and contest the elections.

31. Meanwhile, in the Hindi-speaking belt of northern India, opposition-led coalition governments are evidencing the impact of Mrs. Gandhi's electoral sweep. In Uttar Pradesh, the most populous state and Mrs. Gandhi's home range, a Ruling Congress coalition government has just been formed with the support of former opposition legislators who were dissatisfied with the handling of a ministerial crisis and were attracted by the alternative of rallying around an obvious winner, Mrs. Gandhi's party. The fragile coalition government in Bihar is another likely candidate for eventual return to the Gandhi fold. In the south, President's Rule has been imposed in Mysore State following the collapse of the government led by the Organization Congress. This move was expected after the Ruling Congress captured all 27 of the state's parliamentary seats. In Andhra Pradesh, state elections slated for 1972 may be held early because the chief minister is worried about competition from the Telengana separatists who did well in the national election and now are able to press their claims for statehood directly at the center. The minister believes that state elections would produce less favorable results for the separatists. In contrast to a general picture of uncertainty in the states is the DMK's landslide victory in neighboring Tamil Nadu, leading to the establishment of what may become one of the more stable state governments in India.

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Foreign Policy

32. Foreign policy was not an issue in the election. With the exception of India's relations with Pakistan and Communist China, external matters remain the preserve of government officials and are of little interest to the general populace. Nehru's active participation in international affairs as a leader of the nonaligned countries has not been duplicated by his successors. There are some members of the Indian elite, however, who believe India should play a more prominent role in world affairs and would like to see its international prestige restored. On the basis of her impressive popular mandate, Mrs. Gandhi may favor an enhanced role on the world scene, but her focus will be on more pressing domestic matters.

33. In terms of possible changes, there could be some improvement in India's relationship with Communist China. Since early 1969, New Delhi has sought some means of breaking the present stalemate, but has hesitated to make the first move because of a combination of pride, Mrs. Gandhi's weak position as head of a minority government, and the possibility of incurring Soviet displeasure. Mrs. Gandhi may now believe that she has the power to assume the initiative, however, and a possible first step might be to replace the current chargé in Peking with an ambassador.

34. Indo-Pakistani relations, which have seen little improvement since the two countries clashed in 1965, suffered another set-back earlier this year. The two sides are still quarreling over a hijacking incident last January in which an Indian commercial plane was forced to land in Pakistan by two "Kashmiri freedom fighters." India is insisting on reimbursement for the destroyed aircraft and punishment of the hijackers; in retaliation for Pakistan's lack of action, it has banned Pakistani overflights. This has inflicted a particular hardship on the leadership in Islamabad because it has come at a time when the Pakistani Government urgently requires air access between its east and west

wings in its efforts to prevent the break-up of the nation. Future relations with Pakistan will be heavily influenced by the outcome of the current insurrectionary movement in East Pakistan. The Indians are highly sympathetic to the Bengalis in the eastern wing.

35. No important change is anticipated in India's relations with either the US or the USSR. The Soviets, who boast a "special relationship" with India, have established cordial relations with Mrs. Gandhi. Their propaganda organs in India backed her candidacy, and Soviet media have portrayed her sweep as a victory for "progressive forces" in India. They would have preferred to see her victory fall short of a two-thirds majority, however, because then the CPI would have had an opportunity to play a role beyond that earned by its minimal representation in Parliament. The Soviets, however, can take some satisfaction in the composition of Mrs. Gandhi's new cabinet, which includes several well-known present or former leftists. Mrs. Gandhi is well aware of the importance of retaining both US and Soviet aid and trade, and takes pride in her ability to balance successfully India's relations with the two superpowers.

Conclusion

36. Opposition forces charge that the elections confronted them with a personal phenomenon rather



Tribal women voting

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than a political force. There may be some truth in this, for Mrs. Gandhi represents a symbol of hope to the groups most demanding of change--the minorities, women, low-ranking castes and tribes, the urban lower classes, and young voters. Although it will be impossible to satisfy their demands, the way is now open to make some headway.

37. The Indian people have developed a remarkable degree of consciousness that enables them to break away from traditional voting patterns and support the candidate who appears most likely to deliver the goods. In return for their votes, they expect to see dynamic and pragmatic programs to deal with the highly visible problems of a burgeoning population, widespread unemployment, and economic stagnation.

38. Although one-party rule may not be in India's long-term best interest, it appears to offer the immediate gain of refocusing attention on important developmental programs. The prognosis is for an accelerated pace in the government's efforts to meet the country's problems rather than for a shift in direction. If results are not forthcoming, the electorate could turn against the ruling party, as it did in 1967, and resort to a more radical approach.